

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 12 of 18

REMARKS

Claims 1-24 are pending in the present application. Claims 1-22 have been amended, and new claims 23 and 24 have been added. Though the present Office Action and the prior Office Action mailed July 27, 2004 did not specifically refer to claim 22, the Assignee assumes claim 22 has also been rejected on the same grounds as claims 1-21. Attorney for the Assignee requests correction and clarification from the Examiner if claim 22 is not rejected, or if different grounds for rejection exist. The present response is believed to traverse the Office Action rejections. A Supplemental Information Disclosure Statement (SIDS) was filed prior to the present Office Action, and before the mailing of the present Office Action. Acknowledgement of the SIDS is hereby requested.

In response to the non-final Office Action mailed January 4, 2005 (Paper No. 20041220), the Assignee submits the above amendments and enclosed remarks. The Office Action rejected claims 1-21. Claims 1-21 were rejected under 35 U.S.C. 101 as being directed to non-statutory subject-matter. Claims 1-8, 10, and 21 were also rejected as obvious in view of U.S. Patent No. 6,061,691 to Fox (hereinafter "*Fox*") in view of U.S. Patent No. 6,078,901 to Ching (hereinafter "*Ching*"). In response to the non-final Office Action mailed January 4, 2005, the Assignee submits the following amendments and remarks.

The pending claims include elements that are neither taught or suggested by the cited art, and the cited art is distinguished for at least the following reasons:

- The claimed invention includes a computer-implemented method for determining an exchange curve, wherein each point along the exchange curve corresponds to a potential inventory decision associated with operating at a particular cost and expected

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 13 of 18

demand. By contrast, *Fox* and *Ching* relate to supply and demand curves (*Fox*: FIGs. 2-4, 6; *Ching*: FIGs. 17, 27), which do not include a series of potential inventory decisions from which a user can select from to operate at a particular cost and expected demand. Instead, the supply and demand curves of *Fox* and *Ching* merely reflect diminishing supply at an increasing demand rate, or alternatively an increasing price over time as supply diminishes. In further contrast, *Ching* relates to an iteration calculation (FIG. 10) to determine an optimal rate of return on an investment. The iteration calculation merely reflects a rate of return and does not result in an exchange curve to select an inventory decision from.

- The claimed invention includes a computer-implemented method for managing inventory of similar items in a supply chain, wherein the method includes determining an exchange curve for the items. By contrast, *Fox* relates to a method for providing improved pricing estimates based on the available inventory. Furthermore, *Ching* relates to a process for determining a real estate and/or business price based on cash amounts, cash flow, income, and valuation of real estate and/or a business.

- The claimed invention includes a computer-implemented method for managing inventory of different types of items in a supply chain, wherein the method includes determining a first exchange curve for the items of a first type, and a second exchange curve for the items of a second type. By contrast, *Fox* relates to a method for providing improved pricing estimates based on the available inventory. Furthermore, *Ching* relates to a process for determining a real estate and/or business price based on cash amounts, cash flow, income, and valuation of real estate and/or a business.

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 14 of 18

• The claimed invention includes a computer-implemented method for managing a supply chain for multiple types of items, wherein the method includes processing performance data to obtain determination selected from a group comprising at least one of: an exchange curve, a lot size estimate, and a promise date. By contrast, *Fox* relates to a method for providing improved pricing estimates based on the available inventory. Furthermore, *Ching* relates to a process for determining a real estate and/or business price based on cash amounts, cash flow, income, and valuation of real estate and/or a business.

These and other arguments are presented in the remarks below.

I. THE 103 REJECTION OF CLAIMS 1-8, 10, AND 21 (OFFICE ACTION, ¶¶ 3-4)

The Office Action rejected claims 1-8, 10, and 21 under 35 U.S.C. § 103(a) as unpatentable over *Fox* in view of *Ching*. Office Action, pp. 3-4, ¶ 4. A *prima facie* rejection of obviousness under 35 U.S.C. § 103(a) requires that all claim limitations be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974). The Office Action combination of *Fox* and *Ching* fails to teach or suggest all of the claim limitations for at least the reasons set forth below.

Independent claim 1 has been amended to recite the following elements: “determining a cost factor for the items, wherein the cost factor is based at least in part on inventory data comprising a cost associated with an item in the flow path;” “based in part on the demand factor and the cost factor, determining an exchange curve for the items, wherein each point along the exchange curve corresponds to a potential inventory decision associated with operating at a particular cost and expected demand;” and “displaying a

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 15 of 18

portion of the inventory data for the items and the exchange curve, wherein selection of at least one point along the exchange curve corresponds to an inventory decision associated with operating at a particular cost and expected demand." Independent claim 10 has been similarly amended.

The amendments clarify the claimed invention. By contrast, *Fox* and *Ching* relate to supply and demand curves (*Fox*: FIGs. 2-4, 6; *Ching*: FIGs. 17, 27), which do not include a series of potential inventory decisions from which a user can select from to operate at a particular cost and expected demand. Instead, the supply and demand curves of *Fox* and *Ching* merely reflect diminishing supply at an increasing demand rate, or alternatively an increasing price over time as supply diminishes. In further contrast, *Ching* relates to an iteration calculation (FIG. 10) to determine an optimal rate of return on an investment. The iteration calculation merely reflects a rate of return and does not result in an exchange curve to select an inventory decision from.

Independent claim 21 has been amended to clarify the element "processing the performance data to obtain a determination selected from a group comprising at least one of the following: an exchange curve, a lot size estimate, or a promise date." By contrast, neither *Fox* nor *Ching* relate to processing performance data to obtain a determination selected from a group comprising at least one of the following: an exchange curve, a lot size estimate, or a promise date. Specifically, *Fox* relates to "handling intermittent placement of orders and reservations for media commercial time ... while optimizing the sale value of the remaining media commercial inventory available for sale." Col 1, lines 10-16. *Fox* does not relate to supply chain management, or to determining an exchange curve for an inventory or for a supply chain. Furthermore, *Ching* relates to a process for

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 16 of 18

determining a real estate and/or business price based on cash amounts, cash flow, income, and valuation of real estate and/or a business. Specifically, *Ching* relates to a method for determining a price for business and/or real estate investment while taking "everything into consideration." Col. 23, lines 19-30. *Ching* does not relate to supply chain management, or to determining an exchange curve for an inventory or for a supply chain. Therefore, whereas both *Fox* and *Ching* focus on determining an efficient price, neither relates to supply chain management, or to "processing the performance data to obtain a determination selected from a group comprising at least one of the following: an exchange curve, a lot size estimate, or a promise date."

Therefore, based on the foregoing, independent claims 1, 10, and 21 are believed to be in condition for allowance.

Dependent claims 2-8 have also been amended with additional limitations to clarify the invention. Dependent claims 2-8 are ultimately dependent from independent claim 1 for which arguments of patentability have been set forth above. The Office Action rejection of these dependent claims is believed to be traversed. Newly added dependent claims 23 and 24 are ultimately dependent from respective independent claims 1 and 10 for which arguments of patentability have been set forth above. Therefore, claims 2-8, 23, and 24 are also believed to be in condition for allowance.

II. OTHER AMENDMENTS

Claims 3, 17, 21, and 22 include amendments to add the term "a plurality of," and to change the language "consisting of" to "comprising at least one of the following," and the connecting language "and" to "or." These amendments were not made in response to

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 17 of 18

any particular Office Action rejection, but rather, to clarify the scope of the respective claims.

III. THE 101 REJECTION OF CLAIMS 1-21 (OFFICE ACTION, ¶ 2)

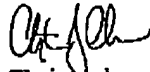
The Office Action rejected claims 1-21 under 35 U.S.C. 101 as being directed to non-statutory subject-matter. These claims have been amended to clarify that the elements are "computer-implemented." The present amendments also include and incorporate a similar limitation to claims 22-24. Each of the claim elements in claims 1-24 can be performed by or in conjunction with a computer. The Office Action rejection to these claims is believed to be traversed, and these claims are believed to be in condition for allowance.

Serial No. 10/685,670
Filing Date: October 14, 2003
Amendment and Response to Office Action
Page 18 of 18

CONCLUSION

Claims 1-24 are pending in the application. The Office Action rejections are believed to be traversed by the accompanying amendments and remarks. Acknowledgement of the previously submitted Supplemental IDS (SIDS) is hereby requested. All of the pending claims should now be in condition for allowance. The Examiner is invited and encouraged to contact the undersigned attorney of record at (404) 815-6048 if such contact will facilitate a Notice of Allowance. If any additional fees are due, the Commissioner is hereby authorized to charge any deficiency, or credit any overpayment, to Deposit Account No. 11-0855.

Respectfully submitted,



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